MS150913.1

AMENDMENTS TO THE SPECIFICATION

Please amend the specification as indicated below:

1) On page 6, amend paragraph 3 as follows:

In accordance with one aspect of the present invention, encoding scan sequences 48a and 48b are alternated over differing portions of the matrix 30 in order to proved provide improved compression over conventional systems. This is achieved by exploiting correlations between wavelet coefficients within the matrix 30 as will be described in more detail below. For example, the scan sequence 48a provides a substantially vertical scan of a first portion 52a of the matrix 30, wherein vertical is substantially in either in the Y+ or the Y- direction. The scan sequence 48b provides a substantially horizontal scan of a second portion 52b of the matrix 30, wherein horizontal is substantially in either in the X+ or the X- direction. By alternating scans over differing portions of the matrix 30, encoding efficiency (e.g., increasing probability of encoding highly correlated coefficients in succession is improved in the encoding system 40.

2) On page 10, amend paragraph 2 as follows:

As illustrated in Fig. 3, coefficient blocks of 0 to 63 are depicted. For example, blocks 0 through 3, depict a set of level (0) coefficients LL, LH, HL, and HH sub-bands respectively, wherein blocks 4 though 15 depict a set of LH, HL, HH sub-bands of level (2) coefficients, wherein blocks 16-63 represent a set of level (3) coefficients. In accordance with the contiguous and alternating scanning of the present invention, each block (0-63) is contiguously scanned in the order of each block. For example, beginning with block 0, an LL band is scanned. LH, HL, and HH Blocks 1, 2, and 3 are then scanned. Coefficient blocks 4 though 11 are then alternately scanned in the LH and HL sub-bands. HH blocks 12 though through 15 are then scanned and a similar sequence is followed for blocks 16 through 63.